V E R M O N T

Workforce Development Council

Annual Report

2008

VERMONT

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The Workforce Development Council (WDC) was established in State law in 2006 as the successor to the Human Resources Investment Council, originally established in 1993. The mission of the Council is to ensure that Vermonters have the skills they need to get and keep good jobs, and that Vermont employers have the skilled workers they need to compete in a rapidly changing world economy. The Council advises the Governor on the development and implementation of a comprehensive, flexible and responsive workforce education and training system. The Council is also designated as the State Workforce Investment Board under the Federal Workforce Investment Act.

The WDC is a business majority council, appointed by the Governor, with members representing all sectors of the economy and all geographic regions of the State. In addition, Council membership includes top officials from State agencies and higher education institutions, representatives of labor and the low income community, and members of the Senate and House. The Chair is appointed from the business members by the Governor.

Act 46 Next Generation Initiatives:

2008 saw the second year of implementation the Next Generation Legislation (Act 46) that provided funding for a number of new and expanded initiatives designed to prepare the State's workforce. These investments responded to the recommendations of the Next Generation Commission, and were echoed in reports from the Workforce Development Council, the Vermont Business Roundtable, Lake Champlain WIB/Chamber/GBIC, the Coalition for Workforce Solutions, and others.

These organizations identified a number of common strategies designed to respond to the aging of the Vermont workforce, the shrinking cohort of younger workers, and the escalating skill requirements and technology applications in the workplace. Act 46 was drafted to address these challenges by linking training and economic development efforts with a range of immediate and longer term strategies. on FY '09 it provided eight million dollars to be distributed from July 1. 2008 through June 30, 2009. Included were funds for college scholarships, a targeted student loan repayment program, increased funding for the VSAC Non-Degree Grant Program, and expanded dual enrollment opportunities, as well as increases in funding for the Workforce Education and Training Fund, and the Vermont Training Program that provide grants to assist employers to meet their needs for training new and incumbent workers. The Act also established new programs for secondary and

postsecondary internships, adult programs at the regional technical centers, career awareness programs, alternative secondary vocational/academic programs, and funds to be used for two regional pilots of workplace readiness credentials. The response from employers, schools, colleges, trade associations, and non-profit organizations was very strong. Over 200 applications were received by the Departments of Labor and Economic Development and more than 150 projects were funded. Funding was exhausted in most categories within six months. Each of the agencies and institutions that were funded through the Act will provide detailed reports on these activities.

New Strategic Approaches to Workforce Development:

Act 46 also established a new committee of the WDC, the Workforce Leadership Committee, as a standing committee of the Council chaired by the Commissioner of Labor. The Committee includes the Commissioners of Education and Economic Development as well as the Secretary of Human Services, the Chancellor of the State Colleges, the Chair of the WDC, and three business members of the WDC. The committee was charged with "developing a limited number of over-arching goals and measurable criteria for the workforce development system", and "reviewing reports from each entity that receives funding" to determine the contribution made to accomplishment of the goals. The committee completed its first full report in December. It identified four broad goals supported by recommended strategies and performance measures. Copies are available on the Workforce Development Council website.

This year, the Council has undertaken several new initiatives in partnership with the Department of Education (DOE). First, recognizing the need to create more effective pathways from secondary career and technical education programs to further education and to better meet needs of employers, the WDC and DOE have formed a partnership with the State Chamber of Commerce and the New England Culinary Institute. This partnership will develop the first Industry and Education Center of Excellence (IECE) which will focus on the Hospitality sector. If successful, this approach will be expanded to other sectors in the future. Second, discussions are underway with DOE to explore the potential for utilizing the Department of Labor's Next Generation secondary programs, including the WETF Internship Program, the Career Awareness Program and the Alternative Technical Education Program in support of DOE's School Transformation initiative.

Act 176 High School Completion Program:

2008 was the second year of implementation of the High School Completion Program by the newly established Learning Works statewide adult education system (formerly Adult Basic Education). The development of such a program was part of the WDC's strategic plan and was supported by the Council throughout its development. It is estimated that between 1,000 And 1,200

students leave Vermont's public schools each year without a diploma. This is an important workforce development issue because Vermont has a shortage of young workers, and those lacking basic skills are often unable to meet entry level job requirements. This new program, the first of its kind in the nation, has enrolled 522 students and graduated 258 students through June of 2008. To date 84% of participants are successful in earning their high school diploma. The program targets out-of-school youth between the ages of 16 and 21 who can participate through the Learning Works Centers across the state where they develop an individualized learning plan in partnership with their home high school. Under the supervision of the Learning Works instructors, students can access classes at the high school or regional technical center, enroll in adult education programs, take college courses, or participate in a wide range of educational options that meet their individual needs. Once the goals in their plan are completed, students may participate in graduation ceremonies at their high school and receive a diploma. This program has received national attention for its innovative appraoch.

Regional Workforce Investment Boards:

The WDC is charged in State law with authorizing Regional Workforce Investment Boards (WIBs). These twelve regional volunteer boards are the local component of the system, working closely with employers, schools, colleges and community organizations to identify needs and implement training solutions. The Regional WIBs continued to address the workforce needs of specific employment sectors in their regions that are experiencing shortages of skilled workers. These include construction, manufacturing, healthcare, information technology and others. The WIBs were assigned formal responsibility in Act 46 for the local review of WETF Training and Internship applications to make sure the proposed projects meet real local needs, do not duplicate existing services, and will lead to good jobs. In regions that are generating a significant number of new grant applications this substantially increased their workload, and in regions with fewer applications, the WIBs are taking the lead by reaching out to employers, Chambers, and Regional Development Corporations with the goal of developing applications and bringing training funds into the their region. Other WIB activities in 2008 included; organizing local groups of employers to apply for training grants from the Vermont Training Program (VTP) and organizing Career Fairs for youth and adults. In 2008, the WDC stepped up targeted assistance to selected Boards. The Boards for the North East Kingdom and Lamoille County were re-organized and re-authorized by the WDC.

Challenges for 2009:

Significant progress in preparing the State's workforce has been made over the past year, however the underlying trends remain a concern. First, the aging-out of current workers is not being offset by a sufficient number of new entrants into the workforce, creating a shortage in most sectors.

- The supply of workers in Vermont is expected to grow at a rate of only 1.5% per year over the next 10 years, down from an average of 5% a year since the 70's.
- Vermont's workforce is older than the average in most other states, and as these baby boomers retire, a large number of skilled workers will leave the workforce.
- Census date continues to show a decline the 20-34 year old population.
- There will be an 18% decline in Vermont's high school population over the next ten years.

Second, much higher skills are required to get and keep a good job than in the past, and skilled workers are increasingly difficult to find;

- Good jobs that were once available to workers with limited academic skills now require strong skills in reading, communication, math, and the use of computers.
- Those without a high school diploma earn only 65% of the US average wage. High school graduates earn 83%, and those with a bachelors degree (or other industry specific credentials) earn 131%.
- Employers invest more in skilled workers. Half of college graduates receive training on the job, but fewer than 20% of school dropouts receive such training.
- Of the top ten fastest growing jobs in Vermont, seven require two year college degrees or more for entry, and two others require specific post-high school training.
- Specialized information technology, software, and computer skills are required in 95% of jobs in banking/insurance, graphics/printing, and healthcare.

To address these challenges, we will focus on education and training strategies to increase worker productivity, provide the training necessary to help underemployed Vermonters move up into better jobs, and meet the needs of employers for skilled workers.

Plans for 2008:

- Evaluate the implementation of the Act 46 programs and make recommendations for future funding priorities and continue efforts to streamline administrative processes.
- Expand partnerships with leading business and trade associations to build consensus on strategies to address worker skill shortages in the "Green" sector and other key economic sectors across the State.
- Continue to respond to the workforce needs of the Healthcare sectors with new and innovative training solutions.
- Continued successful implementation of the Workforce Investment Act, including exceeding
 performance objectives in order to qualify for WIA Title V performance incentive grants, and
 the development of a new State Plan for implementation of the reauthorized Workforce
 Investment Act.

• Development of an Industry and Education Center of Excellence in hospitality as a pilot for the concept of forming close partnerships with employers to create comprehensive career pathways that improve student success and that provide employers with fully prepared workers.

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